



BOARD OF EQUALIZATION
STATUS REPORT

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| <input type="checkbox"/> | Board Members |
| <input type="checkbox"/> | Business Taxes Committee |
| <input type="checkbox"/> | Customer Services Committee |
| <input type="checkbox"/> | Legislative Committee |
| <input checked="" type="checkbox"/> | Property Tax Committee |
| <input type="checkbox"/> | Technology & Administration Committee |
| <input type="checkbox"/> | Other (Insert Name) |

Topic:

Work plan to implement 2001 Property Taxes Legislation.

Background:

As a result of the 2001 Legislative Session, a number of bills were chaptered that affect the administration of the Property Tax Law. A schedule that lists the bills, provisions, and action required as a result of the bill passage is attached (Exhibit 1). Timely implementation of these legislative changes will ensure that the Board continues to provide current and accurate information used in the administration of property tax.

Current Status:

Most of the legislative changes do not become effective until January 1, 2002. However, timely implementation requires that the staff start the process prior to that date. The attached schedule includes a work plan that details the actions required and estimated completion dates. Notification of all legislative changes will be through Letters To Assessors.

Conclusion:

Affirmation of the proposed plan will enable the staff to begin the implementation process.

Prepared by: Property Taxes Department
Policy, Planning, and Standards Division

Current as of: October 30, 2001

WORK PLAN TO IMPLEMENT 2001 PROPERTY TAX LEGISLATION

		ACTION REQUIRED AND ESTIMATED DATE OF COMPLETION				
Bill Chapter Effective Date	Provisions (Description)	Notification (LTA/CAO)	Update Regulations (Rules)	Update Publications	Forms Revision	Annotation Review
AB 136 Ch. 161 08/09/01	Employee Owned Hand Tools – Personal Property Exemption. Increases the current property tax exemption for employee-owned hand tools from \$20,000 to \$50,000. (§241)	LTA (Oct 2001)		AH 504 (Fall 2002)		Jan 2002
AB 184 Ch. 330 09/25/01	Seismic Safety New Construction Exclusion – Board-sponsored bill: 1. Changes the claim filing requirements to six months after the date of completion. (§70, 74.5) 2. Modifies the definition of qualifying seismic safety improvements. (§74.5) 3. For the 15-year new construction exclusion for masonry buildings, provides that the failure to file a certificate of compliance within the prescribed filing period would be deemed to be a waiver of the exclusion for that year only. (§70)	LTA (Nov 2001)			BOE-64 (Nov 2001)	Jan 2002
AB 589 Ch. 521 9/25/01	State-County Property Tax Administration Grant Program – Creates the State-County Property Tax Administration Grant Program which would, for the 2002-03 fiscal year to the 2006-07 fiscal year, inclusive, provide grants to electing counties to assist them in funding property tax administration costs. (§95.35)	Summary LTA (Nov 2001)				
AB 645 Ch. 238 01/1/02	Assessment Appeals Filing Date – Extends the final date to file an assessment appeal from September 15th to November 30th in those counties where the county assessor does not notify the taxpayer of the assessed value of their real property prior to August 1. (§1603) Nonmandatory Audits – Assessment Appeals Rights. Provides taxpayers subject to nonmandatory audits the identical assessment appeal rights currently provided to taxpayers after mandatory audits. (§469)	LTA (Dec 2001) LTA (Dec 2001)		Pub 29 (May 2002) Pub 30 (Mar 2002) AAM (Fall 2002) AH 501 (Jan 2002) AH 504 (Fall 2002)	BOE 305-AH (Mar 2002)	Jan 2002

Note: LTA refers to Letter To Assessors; AH refers to Assessors' Handbook Section; and AAM refers to Assessment Appeals Manual.

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Bill Chapter Effective Date	Provisions (Description)	Notification (LTA/CAO)	Update Regulations (Rules)	Update Publications	Forms Revision	Annotation Review
AB 1011 Ch. 819 1/1/02	Index of Conservation Easements and Deed Restrictions – Requires county recorders to maintain a comprehensive index of conservation easements and deed restrictions on land, using existing resources. (Govt. Code §27255)	Summary LTA (Nov 2001)				
AB 1457 Ch. 772 1/1/02	Mobilehome Parks – Where an assessor failed to timely reappraise subsequent pro rata changes in ownership of a resident-owned mobilehome park that had previously been granted a change in ownership exclusion, requires the assessor to correct the assessment on a prospective basis commencing with the January 1, 2002 lien date. Relieves mobilehome park residents of additional property tax liability for escape assessments for prior tax years due to pro rata changes in ownership of tenant owned mobilehome parks. (§62.1)	LTA (Dec 2001)		AAM (Fall 2002) AH 511 (Nov 2001)		Jan 2002
AB 1472 Ch. 826 1/1/02	Logging dollies, pole or pipe dollies, and trailer buses – Clarifies that such items that have been issued a valid identification plate are exempt from personal property taxation. Clarifies that the exemption does not apply to logging dollies with a valid identification plate but are used exclusively off-highway. (§225 et al.)	Summary LTA (Nov 2001)		AH 504 (Fall 2002)		
SB 198 Ch. 533 10/5/01	Exemption – Property in its “Natural State”. Extends the sunset date of the property tax exemption for property in its natural state, from January 1, 2002 to January 1, 2013. (§214.02)	Summary LTA (Nov 2001)		AH 267 (Apr 2002)		Jan 2002
SB 210 Ch. 176 1/1/02	Notice to Offset or Deduct Amounts Due City or County to Satisfy Certain State Claims – Transfers notification duty from assessor to tax collector. (Govt. Code §12419.8)	Summary LTA (Nov 2001)				
SB 882 Ch. 609 10/9/01	Public Parks Leased by Nonprofit Organization – Exempts, under the welfare exemption, a leasehold interest in a public park that has been donated to a charitable foundation, where the foundation will acquire ownership of the park on or before the end of the lease. (§236.5.)	Summary LTA (Nov 2001)		AH 267 (Apr 2002)		Jan 2002

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SB 1181 Ch. 407 01/01/02	Timberland Production Zone - Removal. 1. Specifies, for property removed from a Timberland Production Zone, that the time period to appeal the valuation of the property for purposes of the tax recoupment fee is sixty days after the date the fee notice is mailed. 2. Changes the language that specifies when the tax recoupment fee is due to be based upon the date that the notice is "mailed" rather than "received." (Government Code §51142)	Summary LTA (Nov 2001)				Jan 2002
	Supplemental Assessments - Statutes of Limitation. 1. Extends the number of years open to supplemental assessment from six to eight when a penalty for concealment of personal property is levied. 2. Provides for the limitation periods to be measured from the year in which the event giving rise to the supplemental assessment occurred (§75.11)	LTA (Dec 2001)		AAM (Fall 2002)		Jan 2002
	Disaster Relief. Revises the provisions where a property's assessed value may be reduced after a disaster: 1. Permits assessor initiated reductions generally if Board of Supervisor approval is given. 2. Increases from 60 days to 12 months the period for a taxpayer to file a claim for reassessment. 3. Increases from 14 days to six months the period for a taxpayer to file an appeal on the post-disaster value determined. 4. Increases the amount of damage required from \$5,000 to \$10,000 for eligibility. (§170) <i>Continued on page 4</i>	LTA (Dec 2001)		Pub 29 (May 2002) Pub 30 (Mar 2002) AAM (Fall 2002)	BOE 305-AH (Mar 2002)	Jan 2002

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Bill Chapter Effective Date	Provisions (Description)	Notification (LTA/CAO)	Update Regulations (Rules)	Update Publications	Forms Revision	Annotation Review
SB 1181 Ch. 407 01/01/02 (Continued from page 3)	Disabled Veterans' Exemption - Changes, for the disabled veterans' exemption low-income threshold, the period for measuring inflation increases and clarifies that increases are to be compounded annually. (§205.5)	Summary LTA (Nov 2001)				Jan 2002
	State Assessee Penalties – Failure to Timely Report Information. Clarifies the basis of calculating the penalty: 1. For failure to provide information necessary to develop the unit value, the penalty is 10% of the entire unit value. 2. For failure to provide information necessary to allocate the unit value so determined, the penalty is limited to 10% of the estimated allocated value of the specific property not timely reported. (§830, 830.1)	Summary LTA (Nov 2001)				Jan 2002
	County Confidentiality of BOE information. Clarifies that county assessors and auditors must maintain the confidentiality of state assessee information provided by the Board. (§833)	Summary LTA (Nov 2001)				
	Appeals - Exchange of Information. 1. Requires an exchange of information to be initiated 30 days rather than 20 days before an appeal hearing. 2. Requires the other party to respond within 15 days rather than 10 days. 3. Specifies that postmark dates will control. 4. Specifies that the parties use adequate means of delivery to complete the exchange process at least 10 days before the hearing. (§1606)	LTA (Dec 2001)		AAM (Fall 2002) Pub 30 (Mar 2002)	BOE 305-AH (Mar 2002)	Jan 2002
	Manufactured Homes. Clarifies that various change in ownership provisions apply to manufactured homes. (§5814) Private Railroad Car Appeals. Eliminates the need to file a declaration of intent to petition for reassessment of private railroad cars. (§§ 11273, 11338, 11339)	LTA (Dec 2001) Summary LTA (Nov 2001)		AH 511 (Nov 2001) Private RR Tx Law Pub (Dec 2001)		Jan 2002

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Bill Chapter Effective Date	Provisions (Description)	Notification (LTA/CAO)	Update Regulations (Rules)	Update Publications	Forms Revision	Annotation Review
SB 1182 Ch. 744 1/1/02	Property Tax Omnibus Bill – BOE/Clerks. Board-sponsored provisions to: 1. Correct cross-referencing errors. (Government Code §51296.3) 2. Correct a typesetting error. (§749) California Association of Clerks and Election Officials-sponsored provisions to: 1. Clarify which provisions relating to filing an assessment appeal apply to Los Angeles County and modify an incorrect reference to supplemental assessments. (§75.31, 534, 1605)	Summary LTA (Nov 2001)		AAM (Fall 2002)		
SB 1183 Ch. 121 1/1/02	Property Taxes Paid on Wrong Parcel – Allows for refund of taxes mistakenly paid in the case in which there is no property of the taxpayer to which the payment may be applied. Also make other nonsubstantive changes. (§4911, 4911.1 et al.)	Summary LTA (Nov 2001)				Jan 2002
SB 1184 Ch. 613 1/1/02	Property Tax Omnibus Bill – Assessors. This bill contains California Assessors' Association sponsored provisions: Parent-Child Base Year Value Transfers – Eliminates the need for the transferor to sign the parent-child change in ownership exclusion claim form and also requires only one transferee to sign the form. (§63.1) Over 55 Base Year Value Transfers – Allows a taxpayer to qualify for a Proposition 60/90/110 base year value transfer if their home was destroyed in a non-governmental declared disaster. (§69.5) <i>Continued on page 6</i>	LTA (Dec 2001) LTA (Dec 2001)		AAM (Fall 2002)	BOE-58-AH BOE-58-G (Nov 2001) BOE-60-AH (Nov 2001)	Jan 2002 Jan 2002

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Bill Chapter Effective Date	Provisions (Description)	Notification (LTA/CAO)	Update Regulations (Rules)	Update Publications	Forms Revision	Annotation Review
SB 1184 Ch. 613 1/1/02 (Continued from page 5)	Escape Assessments – Statutes of Limitation. 1. Extends the number of tax years subject to escape assessment when a penalty for willful concealment of tangible personal property is applied, from six years to eight. 2. Provides additional cleanup related to escape assessments. (§532)	LTA (Dec 2001)		AH 502 (Fall 2002)		Jan 2002
	Contiguous Parcels – Combined Assessment. Permits more contiguous tracts of land located in different tax rate areas, but under the same ownership to be combined into a single assessment. 1. Increases the maximum value of such parcels that may be combined, from \$5,000 to \$25,000. 2. Increases, for parcels used as a home site, the size of parcel that may be combined, from 15,000 to 45,000 square feet. (§606)	Summary LTA (Nov 2001)				Jan 2002